## Message Text

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PAGE 01 JAKART 00553 120821Z ACTION OPIC-06

INFO OCT-01 EA-09 ISO-00 EB-07 /023 W

-----120828Z 014634 /17

R 120730Z JAN 77

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 8691

UNCLAS JAKARTA 00553

E.O.11652: N/A TAGS: EINV

SUBJ: EVALUATION OF TECHNOLOGY TRANSFER AND CONTRIBUTIONS IN KIND

REF: 76 STATE A-5760

1. ATTEMPTS AT VARIOUS LEVELS OF GOI BY EMBASSY REPRESENTATIVES TO OBTAIN SOLID ANSWERS TO QUESTIONS POSED REFAIR WERE NOT PARTICULARLY SUCCESSFUL. AS FAR AS WE CAN DETERMINE THERE ARE NO LAWS, DECREAS OR REGULATIONS PERTAINING SOLELY TO EVALUATION OF TECHNOLOGY/CONTRIBUTIONS IN KIND. REGULATIONS GOVERNING SUCH EVALUATION ARE SAID TO BE IN PREPARATION AT THIS TIME, BUT THERE IS NO INDICATION WHEN THEY WILL BE COMPLETED.

2. GOI OFFICIALS SAY EVALUATION IS CARRIED OUT IN ALL CASES OF FOREIGN INVESTMENT INVOLVING TECHNOLOGY TRANSFERS AND CONTRIBUTIONS IN KIND BY SPECIFICALLY DESIGNATED TEAMS. TEAM MEMBERS REPORTEDLY ARE DRAWN FROM BANK INDONESIA, BKPM (NATIONAL PLANNING AGENCY), BAPPENAS (CAPITAL INVESTMENT COORDINATING BOARD), AND THE MINISTRY CONCERNED, AMONG OTHERS. THE CRITERIA USED, I.E., STATE OF TECHNOLOGY, COST TO INVESTOR, FAIR MARKET VALUE, ETC. APPARENTLY ARE THE SAME REGARDLESS OF PURPOSE FOR WHICH THE TECHNOLOGY IS BEING CONTRIBUTED.

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PAGE 02 JAKART 00553 120821Z

3. WITHOUT SAME EXPERT EXAMINATION OF THE EVALUATION TECHNIQUES IN QUESTION, IT IS DIFFICULT TO RATE THEM. IN GENERAL WE TEND TO DOUBT THAT POIC WOULD WANT TO RELY FORPURPOSES OF INVESTMENT INSURANCE COVERAGE ON GOI DETERMINATIONS.

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## Message Attributes

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